



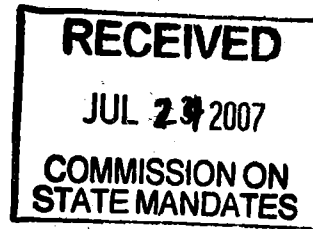
**DEPARTMENT OF  
FINANCE**  
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

July 19, 2007

Ms. Paula Higashi  
Executive Director  
Commission on State Mandates  
980 Ninth Street, Suite 300  
Sacramento, CA 95814



Dear Ms. Higashi:


As requested in your letter of June 28, 2007, the Department of Finance has reviewed the draft staff analysis of Claim No. CSM- 02-TC-23 "Local Agency Formation Commissions – LAFCO."

Consistent with our July 18, 2003 comments that the test claim statute may have resulted in costs mandated by the state, we concur with the staff analysis finding that filing written statements with the LAFCO specifying the functions or classes of service provided by a special district, when the LAFCO prepares or updates a sphere of influence, is a reimbursable state mandate. Prior to the enactment of the test claim statute, special districts were not expressly required to file written statements with the LAFCO.

As required by the Commission's regulations, we are including a "Proof of Service" indicating that the parties included on the mailing list which accompanied your June 28, 2007 letter have been provided with copies of this letter via either United States Mail or, in the case of other state agencies, Interagency Mail Service.

If you have any questions regarding this letter, please contact, Carla Castañeda, Principal Program Budget Analyst at (916) 445-3274.

Sincerely,



Thomas E. Dithridge  
Program Budget Manager

Attachments

Attachment A

DECLARATION OF  
DEPARTMENT OF FINANCE  
CLAIM NO. CSM-02-TC-23

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true.

July 19, 2007  
at Sacramento, CA

Carla Castañeda  
Carla Castañeda

## PROOF OF SERVICE

Test Claim Name: Local Agency Formation Commissions - LAFCO  
Test Claim Number: CSM-02-TC-23

I, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, 12 Floor, Sacramento, CA 95814.

On July 19, 2007, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, 12 Floor, for Interagency Mail Service, addressed as follows:

Mr. George Appel  
Sacramento Fire District  
2101 Hurley Way  
Sacramento, CA 95825

Ms. Ginny Brummels  
Division of Accounting & Reporting  
3301 C Street, Suite 500  
Sacramento, CA 95816

Mr. Allan Burdick  
MAXIMUS  
4320 Auburn Blvd, Suite 2000  
Sacramento, CA 95841

Mr. J. Bradley Burgess  
Public Resource Management Group  
1380 Lead Hill Boulevard, Suite #106  
Roseville, CA 95661

A-15  
Ms. Carla Castañeda  
Department of Finance  
915 L Street, Suite 12th Floor  
Sacramento, CA 95814

Mr. Glen Everroad  
City of Newport Beach  
3300 Newport Blvd.  
P.O. Box 1768  
Newport Beach, CA 92659

A-15  
Ms. Susan Geanacou  
Department of Finance  
915 L Street, Suite 1190  
Sacramento, CA 95814

Ms. Juliana Gmur  
MAXIMUS  
2380 Houston Avenue  
Clovis, CA 93611

A-16  
Ms. Paula Higashi  
Executive Director  
Commission on State Mandates  
980 Ninth Street, Suite 300  
Sacramento, CA 95814

Mr. Leonard Kaye, Esq.  
County of Los Angeles  
Auditor-Controller's Office  
500 W. Temple Street, Room 603  
Los Angeles, CA 90012

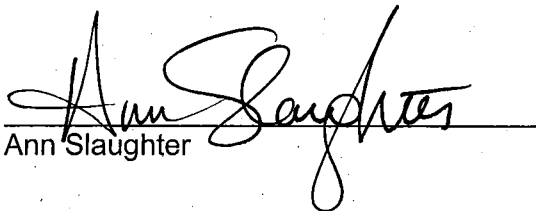
B-08  
Mr. Jim Spano  
State Controller's Office  
Division of Audits  
300 Capitol Mall, Suite 518  
Sacramento, CA 95814

Ms. Bonnie Ter Keurst  
County of San Bernardino  
Office of the Auditor/Controller-Recorder  
222 West Hospitality Lane  
San Bernardino, CA 92415

Mr. David Wellhouse  
David Wellhouse & Associates, Inc.  
9175 Kiefer Blvd, Suite 121  
Sacramento, CA 95826

Sacramento Local Formation Commission  
1121 I Street, Suite 100  
Sacramento, CA 95814

On I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on July 19, 2007, at Sacramento, California.

  
Ann Slaughter